

Implementing neighbourhood renewal: Experience and lessons so far

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1. Introduction

It is just 18 months since the National Strategy for Neighbourhood Renewal was formally launched, with the publication of the national strategy action plan.¹ It is of course the case that some key elements of the strategy had already been operating for some time: the pathfinder round of New Deal for Communities was announced on the same day as the process for developing the strategy itself (in 1998), anticipating the results of that process, with some unfortunate consequences for implementation. But all the other elements of the strategy are still at an early stage. It may be premature therefore to assess progress, and any conclusions must necessarily be tentative.

This paper does attempt to review what's happened so far, and on the basis of the early evidence, to identify the implications for the future implementation of the strategy. It examines the strategy generally, rather than from a health perspective specifically, though its general conclusions apply to all the policy fields addressed by neighbourhood renewal. In doing so it draws on the scoping phase report of the national evaluation of New Deal for Communities²; but also reflects some early experience of other elements of the strategy, including:

- The establishment of Local Strategic Partnerships;
- The development of local neighbourhood renewal strategies, a condition of receiving Neighbourhood Renewal Fund support in the 88 local authority districts that are eligible;
- Developing expressions of interest and delivery plans by the neighbourhood management pathfinder partnerships;
- The recruitment and induction of the Neighbourhood Renewal Advisers, a cadre of experts explicitly chosen to help local partnerships implement their local programmes.

The paper:

¹ Social Exclusion Unit: *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan* (Cabinet Office, 2001)

² Centre for Regional Economic and Social Research, *NDC Partnership Reports: A Synthesis* (Sheffield Hallam University, 2002)

- Briefly reviews the background to the national strategy, to highlight the analysis of past programme weaknesses on which it was based;
- Summarises the operating principles underpinning the national strategy, which were designed to distinguish it from its predecessors;
- Reviews the early experience of implementation, highlighting some areas where these operating principles have yet to establish themselves;
- Identifies some of the implications of this experience, for policy-makers, those implementing the policy, and the research community.

2. Background to the national strategy: weaknesses in previous programmes

The National Strategy for Neighbourhood Renewal is based on an analysis which suggests that the continued high levels of disadvantage in many neighbourhoods across the country reflect, among other things, the failure of previous regeneration schemes to tackle the key issues adequately. Various evaluations of previous experience have identified successes within individual schemes and projects³. However, overall the gap between the most disadvantaged areas and the rest of the country remains substantial and in some cases, continues to grow. For example:

- In the 10% most deprived wards in 1998, 44% of people relied on means tested benefits, compared with a national average of 22%, while more than 60% of children were living in households relying on means-tested benefits;
- During 1999, 26% more people died from coronary heart disease in the 20% most deprived Health Authorities than in the country as a whole;
- In 1998 only 11 of the 488 schools with more than 35% of pupils on free school meals attained the national average of GCSE passes;
- 43% of all housing in the 10% most deprived wards is not in a decent state, compared with 29% elsewhere.⁴

³ KPMG, *What works – Learning the Lessons: Final Evaluation of City Challenge* (DETR, 1998)
Tyler, P., *Lessons and evaluation evidence from 10 Single Regeneration Budget Case Studies: Mid-term Report* (DTLR, 2002)

⁴ SEU, *op. cit.*

Many of the neighbourhoods prioritised under the national strategy, either as New Deal for Communities areas or in local Neighbourhood Renewal Strategies, had been the focus of special regeneration programmes in the past, like inner city Task Forces, City Challenge or the Single Regeneration Budget – which hardly amounts to a ringing endorsement of these earlier initiatives.

The explanations for this programme ‘failure’ are complex, and include a wide range of external impacts, as well as what now appear to be wildly unrealistic expectations about what the programmes might achieve.⁵ But recent evidence suggests that at least some of the weaknesses may be attributed to inadequacies in programme implementation.⁶

Some of the shortcomings in implementation at local level reflect the consequences of dealing with a policy framework that is flawed; others, the failure to embed the objectives of regeneration and renewal programmes sufficiently within the structures of the agencies whose job it was to implement them. Specifically, these weaknesses include for example:

- The failure of local partnerships to exert significant influence over partner behaviour, operating simply as ‘grant coalitions’;
- The lack of co-ordination between agencies – or even between different departments in the same agency;
- Inadequate or non-existent baselines either to focus on the exact nature of the problem to be tackled, or to provide the starting point for subsequent progress measurement;
- A project-driven mode of operation which focuses on spending special funding rather than influencing the much larger main programme budgets;
- The often perverse impact of output driven programmes – for example in providing an incentive for training providers to concentrate on recruiting the most able in order to secure output-related funds most quickly and at the lowest cost – ‘creaming’;
- Inadequate project development and appraisal ‘technology’ – in many cases reflecting a failure to recognise the importance of rigorous approaches: many partnerships (and indeed some Government Office and RDA staff) regard project appraisal as an onerous burden, only to be undertaken because Government guidance requires it;

⁵ The minister responsible for launching the Task Forces in 1986, Kenneth Clark, thought that it was possible that at least in some Task Force areas, the initiative, with an annual programme budget of just £1m, could secure comprehensive and lasting renewal.

⁶ Dabinett, G., Lawless, P., Rhodes, J., Tyler, P., *A Review of the Evidence Base for Regeneration Policy and Practice* (DETR, 2001); Audit Commission, *A Life's Work: local authorities, economic development and economic regeneration* (Audit Commission, 1999)

- A continued failure to recognise the need for precise targeting of benefit, and a lack of capacity to design the mechanisms within projects and programmes that would bring it about – allied to insufficient sensitivity to the distinctive needs of ethnically and culturally diverse communities;
- The limited scale of much ABI activity – reflecting the size of many regeneration allocations, allied to the tendency demonstrated by many partnerships to ‘pepper-pot’ limited resources in order to be seen to be tackling everything, rather than prioritising actions.

Drawing on the work of one of the Policy Action Teams which fed into the development of the national strategy, the NRU has identified some further important weaknesses:⁷

- Lack of relevant skills and experience on the part of those involved in programme implementation (among public servants as well as representatives from local communities), reflecting in part...
- ...the failure of central government to provide relevant training on sufficient scale;
- a frequently faulty analysis of the relationship between problem diagnosis, underlying cause and proposed remedy, in part due...
- ...to the failure to take sufficient account of what has worked (or just as important, not worked) elsewhere.

3. The National Strategy for Neighbourhood Renewal: Some operational principles

The mechanisms through which the national strategy was designed included 18 Policy Action Teams, each composed of officials, academics, and practitioners, and charged with reviewing and producing recommendations on key policy areas – including those associated with implementation. One of the consequences was that the strategy’s design took account of the lessons of past experience to a degree unfamiliar in the development of regeneration policy. The strategy is based on a series of operational principles that were designed to avoid some of the critical weaknesses that had undermined previous attempts to revive the country’s most disadvantaged areas:

- *Mainstreaming:* Although there are dedicated financial resources (through NDC, the neighbourhood management pathfinders, and more generally the Neighbourhood Renewal Fund and the associated

⁷ Social Exclusion Unit: Report of PAT 16: *Learning Lessons* (Cabinet Office 2000)

community development strands), the national strategy is *above all* about the more effective and co-ordinated use of main programme funds;

- *Rationalised partnership structures:* Local strategy design and delivery, like most previous programmes, are to be developed through partnerships – but there was the recognition in this instance first, that partnership fatigue was undermining the effectiveness of partnership working, and secondly, that in the past too many partnerships had been ‘grant coalitions’, coming together only to raise special funds: Local Strategic Partnerships are expected to rationalise local partnership structures, and to influence the direction of main programme budgets, not just special neighbourhood renewal resources;
- *Community leadership:* Throughout the strategy there is a greater emphasis on community involvement than has been the case – for example almost 50% of all NDC board members are representatives of local communities.⁸
- *Reliance on evidence:* There is a more explicit emphasis on evidenced-based policy development and implementation than with previous programmes;
- *Access to evidence:* A ‘Knowledge Management System’ is in development (to be launched in the autumn) which will provide access to a compendium of intelligence and good practice about what works in all policy areas of relevance to neighbourhood renewal;
- *Partnership support and guidance:* initially with NDC partnerships, and now more generally the NRU has made available a wider range of expert support than hitherto, initially through the ‘Ginger Group’, and now through a team of ‘Neighbourhood Renewal Advisers’; there is also an extensive range of written guidance material, for NDCs, neighbourhood management pathfinders and LSPs;
- *Skills development:* Drawing on the work of PAT 16, the strategy recognises the need for adequate skills development for all those involved in neighbourhood renewal: capacity building is no longer reserved for the voluntary and community sectors.

Arguably greater thought has been given to the implementation of the neighbourhood renewal strategy than any of its predecessors. How far has

⁸ CRESR, *op. cit.*

this more thoughtful approach influenced approaches to implementation on the ground?

4. Implementing the strategy: experience so far

As we said at the start of this paper, the neighbourhood renewal strategy was only launched at the beginning of 2001, so it remains a programme in its infancy. The KMS is still being developed, the skills strategy has not yet been finalised, and many of the implementation partnerships have yet to settle in. However, the early evidence suggests that implementing the national strategy will prove challenging. Some of the critical issues include the following:

- *Staff recruitment and retention:* As with other parts of the public sector, progress in implementing neighbourhood renewal is being hampered by difficulties in recruiting and retaining suitably qualified staff. The problems are more acute in London and the Southeast than elsewhere, but to some degree are to be observed nation-wide. As more elements of neighbourhood renewal come on stream this is likely to intensify;
- *Securing cultural change:* The national strategy's insistence on joint working and a more focused use of main programme resources requires, as a fundamental precondition, a process of cultural change within all the implementing agencies, and in the first instance at least, within local authorities. So far, a minority of local authorities have recognised this need, still fewer shown either the appetite or leadership to bring it about;
- *Skills development:* The strategy calls for new ways of working, both within and across disciplines, in ways that few staff have experienced – hence the emphasis on a national skills strategy. The strategy is still in development, but so far there are few signs locally that agencies recognise this need or are prepared to respond to it. All LSPs are required to produce local learning action plans that indicate how local neighbourhood skills gaps are to be dealt with but few have so far made significant progress;
- *The project-based culture:* In many and perhaps most NDCs, the emphasis still rests with *projects* funded from NDC resources, rather than influencing the way others allocate their main programme resources. In part this reflects the pressure to spend that has come from the treasury via the NRU; but above all it demonstrates that a project-based culture – the legacy of successive regeneration programmes – survives and indeed continues to flourish;

- *Building an appraisal culture:* A variety of studies have identified inadequate appraisal procedures as a major weakness of earlier regimes. In part this reflects a lack of skills within regeneration partnerships (and indeed inside the Government Offices and Regional Development Agencies that are supposed to regulate local partnerships), in part bureaucratic and cumbersome programme rules (though in the case of NDCs these have recently been helpfully streamlined). But above all it reflects the absence of an *appraisal culture* locally. Project appraisal has been undertaken reluctantly and half-heartedly, because it is expected by Government rather than because it is seen to have any value for partnerships themselves;
- *Managing community involvement:* There is a variety of understandings of the phrase 'community leadership', reflecting a variety of views about the underlying purpose. These variations make it difficult to assess what progress is being made; however it is clear that in at least some areas, expressions of view from the 'community' are sacrosanct, even where they fly in the face of evidence;
- *Using evidence:* The old reluctance to seek or use 'evidence' survives, ironically bolstered by some of those recruited to serve as NRAs, who claim that the depth of their experience provides them with an instinct for what works that removes the need for evidence!

5. Some issues for policy and research

The NRU is aware of many of the issues identified in this paper, and in at least some cases there are plans in development to tackle them. But there remain a series of fundamental questions which require answers if the neighbourhood renewal strategy is to be implemented effectively.

- How can we address the neighbourhood renewal labour and skills shortages, in the near term but perhaps more importantly, the medium term? In particular, how can we ensure that a greater proportion of neighbourhood renewal professionals come from the neighbourhoods on which the strategy focuses?
- How can we ensure that those agencies involved in neighbourhood renewal locally display genuine commitment to its aims? What do we know about the mechanisms by which agency commitment are embedded within mainstream procedures, for recruitment, staff development, resource allocation, performance assessment? What benchmarks could be developed to enable us to assess agency performance on these kinds of activity?

- What are the most effective mechanisms through which ‘voluntary’ partnerships can influence the behaviour of individual partners, especially where, as in the case with neighbourhood renewal partnerships, each has its own lines of accountability?
- How can we ensure that those involved in neighbourhood renewal focus more on influencing the behaviour and expenditure of others, rather than on spending their own special funding resources – which should be seen as catalysts for wider change?
- What is the most effective way of encouraging cross-discipline working? What explains the uneven nature of its development, between disciplines and between areas?
- What are the barriers to the use of evidence in designing interventions at local level and how can they be addressed? They include practical barriers – like the accessibility of evidence – but they also include skills deficits and cultural barriers: there is little tradition in this country of using evidence in regeneration and many related fields of activity.
- What do we know about the conditions required to enable organisations to adapt to the kinds of changes implicit in neighbourhood renewal – and how can we share these lessons with those responsible for both policy design and implementation?
- How do we reconcile the demands of a rigorous, evidence-based approach to strategy and project development, and a stress on community leadership?